

REMARKS

Applicants reply to the Office Action dated July 5, 2006 within the shortened statutory three month period for reply. Claims 1-16 were pending in the application and the Examiner rejects claims 1-16 and objects to claims 2-8. Applicants amend claims 2-9, 15 and 16. After entry of this Amendment, claims 1-16 remain pending in the application. Support for the amendments may be found in the originally-filed specification, claims, and figures. For example, support for the claim amendments may be found in Figure 3. No new matter has been introduced by these amendments. Reconsideration of this application is respectfully requested.

The Examiner rejects claims 1-16 as being obvious over Grenchus et al., U.S. Patent No. 7,054,824 ("Grenchus"), in view of Teveler et al., US Application No. 2001/0034663 ("Teveler"). Applicants respectfully traverse these rejections.

Pending claim 1 and amended claims 9, 15, and 16 include the following elements:

- (a) "estimating a remaining life of the commodity based on information indicating a usage history of the commodity recorded in a recording section provided in the commodity" ;
- (b) "determining sale terms or lease terms based on the estimated remaining life of the commodity"; and
- (c) "selling or renting the commodity to a second user in accordance with the sale terms or the lease terms".

The Examiner asserts that Grenchus teaches feature (a) above via end of life cycle process. Applicants respectfully disagree. In the cited portion of Grenchus (see, e.g., column 1, line 64 to column 2, line 9 of Grenchus), it is disclosed that:

"Boswell ... describes a process for gathering data during de-manufacturing to feed back to product designers. The product designers can then use this input information to design products, including e.g. material selections, so that the products generate the best economic return during recycling at some future time ..." (emphasis added).

In other words, the cited portion in Grenchus only relates to commodities that are at the end of their life. There is no teaching or suggestion of estimating the remaining life of the commodity, let alone any such estimation based on information indicating a usage history of the commodity. Moreover, in the cited portion, it is not clear that the data that is gathered during de-manufacturing is actually recorded in a recording section provided in the commodity.

The purpose of feature (a) above is to allow for use of a commodity for its entire length of life, as determined based upon information indicating a usage history that is recorded in a

recording section provided in the commodity. In contrast, the cited portion of Grenchus is concerned with de-manufacturing the commodity, regardless of whether it has actually reached its end of life. In other words, there is no description in the cited portion relating to information stored in the commodity that would indicate usage history and no description relating to an estimation of remaining life of the commodity based on such information). The cited portion of Grenchus is concerned with gathering data during de-manufacturing to feed back to product designers for the next generation of the commodity, wherein the data is not being useful for the present commodity.

Regarding feature (b) above, the cited portion of Grenchus (see, e.g., column 2, lines 19-26) only discloses that:

"Because of the rapid obsolescence of products with a corresponding rapid change in product and part resale prices, a method and system of dismantling which can be rapidly determined using current resale, commodity and labor prices at the time a product arrives at the recycling point, is therefore needed ..." (emphasis added)

In other words, it would be clear to a skilled person in the art to understand that the "current resale ... prices at the time a product arrives at the recycling point" refers to resale prices based on the current market values of similar commodities (e.g., based on model number, visible condition, etc.), not on the estimated remaining life of the commodity (feature (b) above), which is based on information indicating a usage history of the commodity recorded in a recording section provided in the commodity (feature (a) above).

Therefore, the current resale price of Grenchus would not be specific to the individual commodity. For example, in the case of TVs (as described in the present specification; please see, e.g., page 22, line 7 to page 26, line 10 of the pending specification), if we have two such TVs, one used for 600 hours and the other used for 1200 hours (assuming that both are equally as well-taken care of, such that no conventional visual inspection can distinguish between the two TVs), Grenchus would set such current resale price of the two TVs to be about the same, since Grenchus does not disclose any means by which the TVs could be distinguished in terms of which was actually turned on for the longer period.

In contrast, the presently claimed invention allows for the two TVs to be distinguished, based upon which of the MOS transistors have been rendered non-functional. Based on the presently claimed invention, the resale price of the first TV in this example would be higher than that of the second TV, because the first TV was used half the time that the second TV was used.

Moreover, the sale terms or lease terms are based on the following. The shorter the estimated remaining life of the commodity (i.e., via the above mentioned determination of which MOS transistors remain or alternatively which MOS transistors have been rendered non-functional), the lower the sales or rental price, and the longer the estimated remaining life of the commodity, the higher the sales or rental price. Alternatively, the shorter the estimated remaining life of the commodity, the shorter the lease period, and the longer the estimated remaining life of the commodity, the longer the lease period. (see, e.g., page 20, line 31 to page 21, line 6 of present specification).

In the case of the above example, the first TV would have a longer lease period and a higher sales or rental price, while the second TV would have a shorter lease period and a lower sales or rental price.

Regarding feature (c) above, the Examiner cites column 5, lines 19-28 of Grenchus and asserts that the specific disclosure "*selling the whole product is determined*" teaches feature (c) above. However, the cited portion actually discloses that:

"In step 38 the value of selling the whole product is determined. *This may be merely the value entered in step 32 or may include other factors relating to such a sale*" (emphasis added).

Regarding step 32, it is disclosed that "[i]n step 320 the value of the product, if sold outright is entered into the demanufacturing model" (see, e.g., column 5, lines 17-18 of Grenchus).

As discussed above, Grenchus does not seem to teach or suggest selling or renting the commodity to a second user in accordance with the sale terms or the lease terms (feature (c) above), whereby the sale terms or lease terms are determined based on the estimated remaining life of the commodity (feature (b) above), and whereby the remaining life of the commodity is estimated based on information indicating a usage history of the commodity recorded in a recording section provided in the commodity (feature (a) above).

Teveler has not been shown to make up for the deficiencies of Grenchus.

Therefore, since none of the cited references teach or suggest all the features of the claims (particular, features (a)-(c) above), the present rejections should be withdrawn.

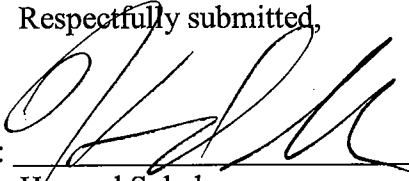
Claims 2-8 and 10-14 variously depend from independent claims 1 and 9, so claims 2-8 and 10-14 are differentiated from the cited references for the same reasons as set forth above, in addition to their own respective features.

In view of the above remarks and amendments, Applicants respectfully submit that all pending claims properly set forth that which Applicants regard as their invention and are allowable over the cited references. Accordingly, Applicants respectfully request allowance of the pending claims. The Examiner is invited to telephone the undersigned at the Examiner's convenience, if that would help further prosecution of the subject application. The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. **19-2814**.

Respectfully submitted,

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By: _____


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